

**PATENT**

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In Re Application of	)	Assignee: Xenogenics Corporation
	)	(by mesne assignments)
EDWARD F. MYERS ET AL.	)	
	)	FOR: ARTIFICIAL LIVER APPARATUS
U.S. Serial No.: 08/809,677	)	AND METHOD
	)	
Int'l. Appln. No.: PCT/US94/10935	)	Group Art Unit: PCT Office
	)	
Int'l. Filing Date: 27 September 1994	)	

**SUPPLEMENTED AND RESTATED PETITION UNDER 37 C.F.R. § 1.47**

24 SEP 2001

Hon. Commissioner for Patents  
Washington, D.C. 20231

Attention: Derek Putonen, Examiner

HAND DELIVERED

Dear Sir:

This petition is further in connection with the reinstatement of the present application after unintentional abandonment, and is directed to the Notification of Missing Requirements Under 35 U.S.C. § 371 in the United States Designated/Elected Office (DO/EO/US), dated June 30, 1999.

This document supplements and in part restates the earlier petition submitted on or about June 1, 2001, and is responsive to telephone conversations between the undersigned attorney for Petitioner and Primary Examiner Putonen and Supervising Primary Examiner Leonard Smith in August 2001 regarding that earlier petition.

In particular this petition concerns the requirement in Part 2(c) of the Notification for Declarations of the named inventors.

Assignee Xenogenics ("Petitioner") hereby petitions to prosecute this application in the United States Patent and Trademark Office under 37 C.F.R. § 1.47

has refused to execute the requested Declarations, that Petitioner is the lawful assignee

of the right, title and interest of each of the inventors in and to this application and the invention defined herein, and that therefore granting Petitioner's petition to prosecute this application at the USPTO on behalf of the named inventors is appropriate.

The documentation required by M.P.E.P. § 409.03(b) is provided as follows.

A. Declaration

The Declaration is submitted herewith.

B. Relationship of Petitioner to the Inventors

Petitioner is either the assignee of one or more of the inventors or the successor in interest to such assignees of the inventors, as will be detailed below.

C. Proof of Refusal to Sign

Proof of refusal to sign with respect to inventor Demetriou has previously been submitted with the earlier petition and consisted of a letter from Dr. Demetriou's attorney stating that his client will not sign documents related to this application. To further support that proof Petitioner is submitting herewith as Exhibit A a copy of a prior letter of its undersigned attorney to Dr. Demetriou's attorney enclosing the Declaration document which the latter rejected. In that prior letter Petitioner's attorney notes that the enclosed Declaration had been revised to eliminate all matter to which Dr. Demetriou and his attorney had objected during earlier negotiations, such that the Declaration as submitted for Dr. Demetriou's signature was in precisely the form and with the content that his attorney had demanded. Notwithstanding, Dr. Demetriou's response though his attorney was a categorical refusal to sign expressed in the letter previously submitted. It is submitted that these two letters are clear and sufficient evidence of Dr. Demetriou's refusal to execute the Declaration for the purpose of Rule 47.

Written requests for execution of the Declaration, accompanied by copies of the Declaration, were delivered by courier to the last known addresses of Dr. Myers and Dr. Li on August 28, 2001. The letters informed Drs. Myers and Li of the nature of the

for Dr. Li, along with documentation from the courier service confirming transmittal and

delivery on that date. Each man was requested to respond by September 6, 2001. As of the date of this Petition, no response of any kind has been received from either man, and in particular no signed Declaration has been received.

As was discussed in the earlier Petition, both Dr. Myers and Dr. Li have in the past stated unequivocally that they will not cooperate with Petitioner in any aspect of this invention or patent application. It is submitted that the hand delivery of the Declarations and requests to them by Petitioner's courier, their failure to respond, and their prior statements regarding refusal to cooperate, are when considered together more than sufficient and appropriate to invoke the provisions of Rule 47 in favor of Petitioner.

D. Last Known Addresses of the Inventors

The last known addresses of the named inventors are as follows:

Edward F. Myers  
In Vitro Technologies  
1450 South Rolling Road  
Baltimore, MD 21227

Albert P. Li  
505 Caminito Elevado  
Bonita, CA 91902

Achilles A. Demetriou  
Cedars-Sinai Medical Center  
8700 Beverly Boulevard  
Los Angeles, CA 90048

E. Statement Regarding Bona Fide Assignee Status of Petitioner

Petitioner's claim of ownership of this application and the invention claimed herein is based in part on the following sequence of assignments.

- a. Cedars-Sinai Medical Center ("CSMC") in Los Angeles, California was the first assignee, from the original named inventors: Drs. Edward F. Myers, Donald V. Cramer, Leonard Makowka and Achilles A. Demetriou. Dr. Myers executed his copy
- b. On April 21, 1993, CSMC assigned all of its rights to Xenogenex, Inc., of San Diego.

California; this assignment was recorded at the USPTO on Reel 6504, frame 0650 [date unknown]; see Exhibit E.

- c. On July 10, 1996, Xenogenex, Inc. assigned its rights to Exten Industries, Inc. also of San Diego, California; see Exhibit F.
- d. Finally, on June 12, 1997, Exten Industries, Inc., assigned its rights to Petitioner Xenogenics Corporation, also of San Diego, California; see Exhibit G. Petitioner continues as owner of the subject application and invention.

As noted above, Edward F. Myers was named as an original inventor and assigned his rights to CSMC. By the mesne assignments identified above Petitioner now owns Dr. Myers' rights. Further, as will be seen in Exhibit H (a redacted Agreement; see Exhibit I), Dr. Myers was also president of Xenogenex, Inc., when he worked with Dr. Li on the invention. By virtue of his position as an officer of Xenogenex (as will be discussed below), Dr. Myers' rights belonged to Xenogenex, from which also by the mesne assignments those rights have become Petitioner's. Since leaving Xenogenex, Dr. Myers has consistently refused to cooperate with Petitioner or its predecessors in matters regarding this patent application.

Albert F. Li became Chief Scientific Officer of Petitioner's predecessor, Xenogenex, on January 11, 1994. That position obligated him to assign to the company all inventions related to the company's business. The technology of the present invention is specifically identified in his employment agreement (entitled "Consulting Agreement"; hereinafter "Agreement"). In the Agreement, Dr. Li agreed to sign a separate assignment document for the invention, which was sent to him with a cover letter. Dr. Li returned the assignment unsigned but indicated on the cover letter that his only reason for not signing the assignment was that he thought that he was being asked to sign not only on his own behalf but also on behalf of his two co-inventors, Drs. Myers and Demetriou. He did not, however, object to signing on his own behalf. Subsequently Dr. Li was advised that the assignment

assignment documents. However, thereafter (and in violation of his employment status

and the signed Agreement) Dr. Li took a contrary position, refused to cooperate with Petitioner's predecessor and would not sign the assignment on his own behalf. All of the documents mentioned above pertaining to Petitioner's acquisition of Dr. Li's rights are included within Exhibit I attached hereto (the Amendment is redacted to exclude non-relevant material).

The fact that Dr. Li's assignment was ultimately not signed does not negate Petitioner's rights under Rule 47. The evidence presented indicates in his own hand that, in compliance with his Agreement, he would have executed that assignment of his right, title and interest in and to the invention and application had he not mistakenly thought that he was being asked to sign not just for himself but also on behalf of Drs. Myers and Demetriou. By the time that his misunderstanding had been corrected, however, he had for other reasons become antagonistic and thereafter refused to sign the assignment, notwithstanding his former consent in his Agreement.

With respect to both Drs. Myers and Li, it is well settled that an officer of a corporation owes to that corporation the assignment of all technical developments made by the officer in the course of his employment and material to the business of the corporation; *Teets v. Chromalloy Gas Turbine Corp.*, 83 F.3d 403, 38 U.S.P.Q.2d 1695 (C.A.F.C., 1996); *Pursche v. Atlas Scraper & Engrg. Co.*, 300 F.2d 467, 132 U.S.P.Q. 104 (9th Cir., 1961); *Blum v. Commission of I.R.S.*, 183 F.2d 281, 86 U.S.P.Q. 118 (3rd Cir., 1950); *Kennedy v. Wright*, 676 F.Supp. 888, 6 U.S.P.Q.2d (C.D. Ill., 1988); *Moore v. American Barmag Corp.*, 693 F.Supp. 399, 9 U.S.P.Q.2d 1904 (W.D. N.C., 1988); and *Banner Metals, Inc. v. Lockwood*, 125 U.S.P.Q. 29, 3 Cal.Rptr. 421 (Calif. Ct. App., 1960). With respect of officers and employees generally, and their obligations to their employers, see also CALIFORNIA LABOR CODE §§ 2860 and 2863 (West Publ. Co., 2000; copies attached hereto as Exhibit J); clearly any technical developments -- including the present invention -- made by Drs. Myers and Li during the course of their employments belonged

Achilles Demetriou is now and at the times relevant to this matter has been

employed by CSMC. Dr. Demetriou executed an assignment to Petitioner's predecessor in interest, Exten Industries, on May 22, 1998, which was recorded in the USPTO on June 8, 1998, at Reel 9212, Frame 0255-0256. Copies of that assignment and the USPTO record notification are attached hereto as Exhibit K.

Dr. Demetriou and CSMC have been represented by both a private attorney, Edward Poplawsky, and the General Counsel for CSMC, James Laur. On May 13, 2001, Mr. Laur wrote a letter to Petitioner's president in which he stated that Dr. Demetriou was not an co-inventor of the invention claimed herein and would not now sign any documents pertaining to the application. A copy of that letter attached hereto as Exhibit L. However, Mr. Laur presents no evidence to that effect, notwithstanding that Dr. Demetriou's name has been included among the named inventors on both this application and its parent from the earliest date with the full knowledge of and acquiescence by CSMC. In view of his attorneys' adverse position, it is not anticipated by Petitioner that Dr. Demetriou's cooperation in any matters related to this application will be forthcoming in the foreseeable future.

Petitioner submits, however, that the issue of Dr. Demetriou's inventorship is not material to this Petition and application of Rule 47, since Dr. Demetriou as a named inventor has assigned his rights -- to whatever degree they may exist -- to Petitioner, both directly and through the mesne assignment of his employer, Cedars-Sinai Medical Center. If in some future proceeding it is established by competent evidence, after appropriate review of all evidence related to his involvement or lack thereof, that Dr. Demetriou did not in fact make a contribution to the invention of sufficient materiality to meet the legal requirement of "inventorship," his name at that time can be stricken from the list of co-inventors.

As indicated in Exhibit D, the invention originally was thought to involve contributions not only from Drs. Myers and Demetriou, but also two other researchers at CSMC. Drs

and their names were withdrawn as inventors. Subsequent research and development

work on the invention involved contributions from Dr. Li, whose name subsequently was added to the list of named inventors.

F. Statement of Preservation of Rights and Irreparable Loss

The invention which is the subject of this application is an artificial liver machine whose function and potential are best stated on page 1 of the application.

This invention relates ... to a purification device which, while similar in structure of hemodialysis devices used in the treatment of renal insufficiencies, uses novel biological means to perform many of the functions of a normal human liver. The [claimed] device and method [of its use] are therefore intended to assist in the treatment and support of patients suffering from liver disease or who have undergone transplantation of liver tissue. (Specification, page 1, lines 9-18)

The liver is a vital body organ, performing well over 100 functions, and diseases and dysfunctions of a person's liver are commonly fatal if not treated effectively; Hamilton (ed.), PROFESSIONAL GUIDE TO DISEASES, "Hepatobiliary Disorders", Ch. 11, p. 722 (Interned Communications, Inc.: 1982)[Exhibit M hereto]. In many cases liver failure must be treated by removal of the diseased or dysfunctional liver and replacement by a transplanted liver, by removal of the diseased or dysfunctional portion of the liver and regrowth of healthy tissue, or by bypassing of the liver by bodily fluids and allowing the liver tissue to recuperate. All of these treatments take a substantial time to be effective. During that time the liver function of the patient must in some manner be continued by means other, of course, than use of the patient's malfunctioning liver, until such time as either the patient's original liver has recuperated and/or the new tissue or transplanted organ has become established.

The present invention provides a unique and highly effective biological means of providing that liver replacement in the form of a device which conducts cleansing of the bodily fluids in the manner of a liver, so that by periodic and regular use of the device the

rest of the body is kept healthy.

The present invention is a novel and highly effective biological means of providing that liver replacement in the form of a device which conducts cleansing of the bodily fluids in the manner of a liver, so that by periodic and regular use of the device the rest of the body is kept healthy.

the fields of organ transplant and hepatology, the development and commercialization of an innovative "artificial liver" machine is a major event. The owner of the patent on such a device will reap both scientific and economic acclaim.

Petitioner and its predecessors have devoted over seven years to this patent application (and more than that to the design and development of the invention). During that time there have been conflicts among the inventors and the various organizations with which the inventors have been associated, resulting in the situation in which Petitioner now finds itself and which forms the background of this Petition. Those conflicts (detailed above) explain the difficulty faced by Petitioner in meeting what would otherwise be a simple request for a new Declaration signed by the inventors.

It is submitted that Rule 47 is appropriate and is the only remedy Petitioner has after the long period of discord among those individuals and organizations involved at various times with the invention and application. Commonly a Rule 47 petition involves simple facts and a clear connection between the recalcitrant inventor and the petitioner. In this case, however, three inventors, two other researchers and four organizations have been involved, with attendant lack of mutual cooperation. Petitioner believes that the evidence put forth herein, *taken with that of the earlier petition*, clearly establishes its right to prosecute the current application and to obtain any patent which may result from it. It is recognized that the evidence is fragmented and that interpretation of the various documents and explanation of the various individuals' roles must be considered in order to obtain a complete picture of seven years' worth of assignments, transactions and business and employment relationships. However, Petitioner submits that the evidence when considered *as a whole* fairly and adequately meets all the requirements of Rule 47.

It will be evident that Petitioner had no choice but to file this Petition in order to protect its rights (and those of the inventors on whose behalf it acted) and to prevent the irreparable damage to its investment in years of research and development

Myers, Li and Demetriou, either directly or by mesne assignments, for the prosecution of



this application within the USPTO and for all matters involving the grant of any patent thereon, under the provisions of 37 C.F.R. § 1.47.

Further, Petitioner submits that all requirements of 37 C.F.R. § 1.47 have been met and that it is appropriate that this petition be **GRANTED** and that the Notification of Missing Requirements Under 35 U.S.C. § 371 in the United States Designated/Elected Office (DO/EO/US) be withdrawn with respect to any Declaration of the inventors, such that the application can move forward through prosecution notwithstanding the refusal of the inventors to execute the requested Declaration.

It is not believed that any further fees are due with respect to this supplemental petition, since the fee required under 37 C.F.R. § 1.17(h) was submitted with the earlier petition. However, should any additional fees be due, the Patent and Trademark Office is authorized to charge all such fees to Deposit Account No. 02-4070.

Should the USPTO believe that granting of this petition might be expedited by further discussion of the issues, a telephone call to the undersigned attorney, collect, at the telephone number listed below, by the Examiner, the Supervising Primary Examiner, or other appropriate representative of the USPTO, is cordially invited.

Respectfully submitted,

Date: September 21, 2001

By: \_\_\_\_\_

James W. McClain, Reg. No. 24,536  
Attorney for Petitioner

BROWN, MARTIN, HALLER & McCLAIN, LLP  
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San Diego, California 92101-2926

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OF COUNSEL  
CARL R. BRIAN

ADMINISTRATIVE SUPPORT

January 12, 2001

Edward G. Poplawski, Esq.  
Sidley & Austin  
555 West Fifth Street  
Los Angeles, CA 90013-1010

Re: U.S. Patent Application Ser. No. 08/809,677 Assigned to Xenogenics  
Also Re: Xenogenix; Cedars-Sinai Medical Center  
Signature of Dr. Achilles A. Demetriou  
Your Ref. No.: 18810-80070  
Our Ref. No.: 7728-PA01

Dear Mr. Poplawski:

This is in response to your letter of October 2, 2000, to Ms. Eleanor Musick. Ms. Musick has recently left our firm and I have assumed responsibility for Xenogenics matters.

After consideration of your comments in your letter, I am withdrawing the Agreement and USPTO Declaration that Ms. Musick requested be executed by Dr. Demetriou and Cedars-Sinai Medical Center. I concur with your assertion that the original Settlement and Release Agreement should be referred to in the present matter. (My references to specific clauses below are therefore with respect thereto unless otherwise noted.)

According to the disclosure of the Non-Exclusive License Agreement executed in accordance with ¶ 2.5, Dr. Demetriou assigned his patent rights related to the subject invention to Cedars-Sinai Medical Center in 1992. The enclosed patent file also contains a direct assignment by Dr. Demetriou.

You have made reference to Article 13 regarding obligations of Cedars-Sinai Medical Center and Dr. Demetriou with respect to the original patent application (Ser. No.

the original patent application, and contains additional elements contributed by one Albert P. [redacted]

[THREE OF FIVE]

Edward G. Poplawski, Esq.  
January 12, 2001  
Page 2

were not present in the '777 application, aspects of the '777 invention which were contributed by Dr. Demetriou continue in the '677 application, and therefore Dr. Demetriou's signature as a co-inventor is called for under the patent law and is appropriate under ¶ 13.4.


We therefore request that Dr. Demetriou execute the USPTO Declaration Form PTO/SB/01 enclosed herewith, providing where noted on page 3 his residence city and mailing address along with his signature. You will note that the power of attorney section has been left blank, in view of Dr. Demetriou's prior assignments. Therefore, other than his execution of the enclosed Declaration in his personal capacity as co-inventor of the invention defined in the '677 application, no further request is made of Dr. Demetriou at this time under either ¶¶ 13.2 or 13.4. A second copy of the Declaration is enclosed for Dr. Demetriou to retain for his records.

As called for by ¶ 13.3, I am enclosing copies of the '677 application and USPTO communications to date for review by Dr. Demetriou and you prior to his execution of the enclosed Declaration. As you will recognize, this application has been the subject of two serious PTO administrative errors which led temporarily to notices of abandonment. We are currently awaiting a PTO decision granting the second Petition for Revival. The submission of these documents is made in confidence.

I trust that following inspection of the '677 application and related correspondence, and the withdrawal of the documents submitted by Ms. Musick, you and Dr. Demetriou will concur that all relevant requirements defined in the Settlement and Release Agreement have been complied with, with respect to obtaining Dr. Demetriou's execution of the Declaration.

I look forward to your response.

Yours very truly,

  
James W. McClain

JWM:j  
Encs.

[UNRECORDED]

Edward G. Poplawski, Esq.  
January 12, 2001  
Page 3

bcc: G. Szabo (w/o encs.)

[REDACTED]

FILE

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JOHN L. HALLER\*  
JAMES W. McGLAIN  
KATHLEEN A. PASULEKA  
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August 28, 2001

Dr. Edward F. Myers  
InVitro Technologies  
1450 South Rolling Road  
Baltimore, MD 21227

VIA FEDERAL EXPRESS  
DELIVERY CONFIRMATION REQUESTED

Re: U.S. Patent Application for "ARTIFICIAL LIVER APPARATUS AND  
METHOD"

Ser. No. 08/809,677 - Filed: July 27, 1994

Our Ref. No. 7728 PA 01

Dear Dr. Myers:

You will recall this patent application which covers research work with which you were involved several years ago. The application has been handled by different attorneys in the past. More recently the current assignee, Xenogenics, Inc., has retained this firm to continue the prosecution of the application with the U.S. Patent and Trademark Office (USPTO).

The USPTO for procedural reasons has requested that a renewed Declaration be submitted with the signatures of the inventors, including you. I have enclosed a copy of that Declaration. Please sign and date the Declaration where indicated and return it to me in the enclosed envelope. Your signature on the Declaration does *not* need to be notarized. Do not be concerned about the presence of the names of the other inventors; each signature will be on a separate copy of the Declaration. You are welcome to make a photocopy of the executed Declaration for your records.

I realize that your association with this application and any of the companies involved has ended. However, USPTO rules permit an examiner to require signatures of

Dr. Edward F. Myers  
August 28, 2001  
Page 2

As the USPTO has called for a prompt response, I would appreciate your returning the executed Declaration to me *not later than September 6, 2001*.

Thank you for your cooperation.

Yours very truly,

A handwritten signature in dark ink, appearing to be 'JW' or 'JM' with a stylized flourish.

James W. McClain

JWM:j  
Encs. - Declaration  
Return envelope

# DECLARATION - Utility or Design Patent Application

I hereby claim the benefit under Title 35, United States Code §120 of any United States application(s), or §365(c) of any PCT International application designating the United States of America, listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States or PCT International application in the manner provided by the first paragraph of Title 35, United States Code §112, I acknowledge the duty to disclose information which is material to patentability as defined in Title 37, Code of Federal Regulations §1.56 which became available between the filing date of the prior application and the national or PCT international filing date of this application.

U.S. Patent Application Number	PCT Parent Number	Parent Filing Date (MM/DD/YYYY)	Parent Patent Number (if applicable)

☐ Additional U.S. or PCT international application numbers are listed on a supplemental priority data sheet PTO/SB/02B attached hereto

As a named inventor, I hereby appoint the following registered practitioner(s) to prosecute this application and to transact all business in the Patent and Trademark Office connected therewith. Registered practitioner(s) name/registration number listed below:

Name	Registration Number	Name	Registration Number
NEIL F. MARTIN JOHN L. HALLER JAMES W. MCCLAIN	23,088 27,795 24,536		

Direct all correspondence to

Attorney Name	James W. McClain				
Address	BROWN MARTIN HALLER & MCCLAIN LLP				
Address	1660 UNION STREET				
City	SAN DIEGO	State	CALIFORNIA	ZIP	92101
Country	USA	Telephone	(619) 238-0999	Fax	(619) 238-0062

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

NAME OF SOLE OR FIRST INVENTOR	<input type="checkbox"/> A petition has been filed for this unsigned inventor				
Given Name (first and middle (if any))			Last Name		
Edward F			Myers		
Inventor's Signature			Date		
Residence City	Baltimore	State	MD	Country	United States
Post Office Address	In Vitro Technologies				
Post Office Address	1450 South Folling Road				
City	Baltimore	State	MD	Zip	21227
				Country	United States

NAME OF SECOND INVENTOR	<input type="checkbox"/> A petition has been filed for this unsigned inventor				
Given Name (first and middle (if any))			Last Name		
Albert P			Li		
Inventor's Signature			Date		

<input type="checkbox"/> Attorney's Signature	<input type="checkbox"/> Inventor's Signature	<input type="checkbox"/> Attorney's Signature	<input type="checkbox"/> Inventor's Signature
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<b>DECLARATION</b>	<b>ADDITIONAL INVENTOR(S)</b> Supplemental Sheet Page 1 of 1
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Name of Additional Joint Inventor, if any:		<input type="checkbox"/> A petition has been filed for this unsigned inventor									
Given Name (first and middle (if any))					Family Name or Surname						
Achilles A.					Demetriou						
Inventor's Signature						Date					
Residence City		Los Angeles		State	CA	Country	United States		Citizenship		
Post Office Address		Cedars-Sinai Medical Center									
Post Office Address		8700 Beverly Boulevard									
City		Los Angeles		State	CA	Zip	90048		Country	United States	
Name of Additional Joint Inventor, if any:		<input type="checkbox"/> A petition has been filed for this unsigned inventor									
Given Name (first and middle (if any))					Family Name or Surname						
Inventor's Signature						Date					
Residence City				State		Country			Citizenship		
Post Office Address											
Post Office Address											
City				State		Zip			Country		
Name of Additional Joint Inventor, if any:		<input type="checkbox"/> A petition has been filed for this unsigned inventor									
Given Name (first and middle (if any))					Family Name or Surname						
Inventor's Signature						Date					
Residence City				State		Country			Citizenship		
Post Office Address											
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**Reference Number**  
**Ship Date** 08/28/2001  
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**Subject:** FedEx shipment 791647110160

JEANNE BRUSH of BROWN, MARTIN, HALLER & MCCLAIN sent DR. EDWARD F. MYERS of INVITRO TECHNOLOGIES  
a Priority Overnight FedEx Envelope.

This shipment is scheduled to be sent on 28AUG01.

The tracking number(s) are: 791647110160

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FILE

BROWN MARTIN HALLER & MCGLAIR LLP

NEIL F. MARTIN  
JOHN L. HALLER\*  
JAMES W. MCGLAIR  
KATHLEEN A. PASULKA  
BARRY F. GUALT  
KATHLEEN L. CONNELL  
SUSAN B. MEYER  
NIKY G. ECONOMY  
HEIDEL EISENHUT

PATENT AGENTS  
KATHERINE PROCTOR  
COLLEEN J. MCKIERNAN, Ph.D.

OF COUNSEL  
CARL R. BROWN

\*EMPLOYED BY NATIONAL CORPORATION

ATTORNEYS AT LAW

A LIMITED LIABILITY PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

1000 UNION STREET  
SAN DIEGO, CALIFORNIA 92101-2926

TELEPHONE (619) 238-0990

FACSIMILE (619) 238-0062

EMAIL: ADMIN@BMHM.COM

SPECIALIZING IN: INTELLECTUAL  
PROPERTY MATTERS, UNFAIR  
COMPETITION AND RELATED LITIGATION

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August 28, 2001

Dr. Albert P. Li  
505 Caminito Elevado  
Bonita, CA 91902

VIA FEDERAL EXPRESS  
DELIVERY CONFIRMATION REQUESTED

Re: U.S. Patent Application for "ARTIFICIAL LIVER APPARATUS AND  
METHOD"

Ser. No. 08/809,677 - Filed: July 27, 1994

Our Ref. No. 7728 PA 01

Dear Dr. Li:

You will recall this patent application which covers research work with which you were involved several years ago. The application has been handled by different attorneys in the past. More recently the current assignee, Xenogenics, Inc., has retained this firm to continue the prosecution of the application with the U.S. Patent and Trademark Office (USPTO).

The USPTO for procedural reasons has requested that a renewed Declaration be submitted with the signatures of the inventors, including you. I have enclosed a copy of that Declaration. Please sign and date the Declaration where indicated and return it to me in the enclosed envelope. Your signature on the Declaration does *not* need to be notarized. Do not be concerned about the presence of the names of the other inventors; each signature will be on a separate copy of the Declaration. You are welcome to make a photocopy of the executed Declaration for your records.

I realize that your association with this application and any of the companies involved has ended. However, USPTO rules permit an examiner to require signatures of

Dr. Albert P. Li  
August 28, 2001  
Page 2

As the USPTO has called for a prompt response, I would appreciate your returning the executed Declaration to me *not later than September 6, 2001*.

Thank you for your cooperation.

Yours very truly,

A handwritten signature in black ink, appearing to be 'JW McClain', written over the printed name.

James W. McClain

JWM:j  
Encs. - Declaration  
Return envelope

## DECLARATION - Utility or Design Patent Application

I hereby claim the benefit under Title 35, United States Code §120 of any United States application(s) or §365(c) of any PCT International application designating the United States of America, listed below and, insofar as the subject matter of each of the claims of this application is not disclosed in the prior United States or PCT International application in the manner provided by the first paragraph of Title 35, United States Code §112, I acknowledge the duty to disclose information which is material to patentability as defined in Title 37, Code of Federal Regulations §1.56 which became available between the filing date of the prior application and the national or PCT international filing date of this application.

U.S. Patent Application Number	PCT Parent Number	Parent Filing Date (MM/DD/YYYY)	Parent Patent Number (if applicable)

☐ Additional U.S. or PCT international application numbers are listed on a supplemental priority data sheet PTO/SB/02B attached hereto.

As a named inventor, I hereby appoint the following registered practitioner(s) to prosecute this application and to transact all business in the Patent and Trademark Office connected therewith. Registered practitioner(s) name/registration number listed below:

Name	Registration Number	Name	Registration Number
NEIL F. MARTIN JOHN L. HALLER JAMES W. MCCLAIN	23,088 27,795 24,536		

Direct all correspondence to:

Attorney Name	James W. McClain				
Address	BROWN MARTIN HALLER & MCCLAIN LLP				
Address	1660 UNION STREET				
City	SAN DIEGO	State	CALIFORNIA	ZIP	92101
Country	USA	Telephone	(619) 238-0999	Fax	(619) 238-0062

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true, and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.

NAME OF SOLE OR FIRST INVENTOR: ☐ A petition has been filed for this unsigned inventor.

Given Name (first and middle [if any])				Last Name			
Edward F.				Myers			
Inventor's Signature				Date			
Residence: City	Baltimore	State	MD	Country	United States	Citizenship	United States
Post Office Address	In Vitro Technologies						
Post Office Address	1450 South Rolling Road						
City	Baltimore	State	MD	Zip	21227	Country	United States

NAME OF SECOND INVENTOR: ☐ A petition has been filed for this unsigned inventor.

Given Name (first and middle [if any])				Last Name			
Albert P.				Li			

Signature of Inventor	Signature of Attorney	Date	City	State	Zip	Country	Citizenship

<b>DECLARATION</b>	<b>ADDITIONAL INVENTOR(S)</b> <b>Supplemental Sheet</b> Page 1 of 1
--------------------	---

Name of Additional Joint Inventor, if any:		<input type="checkbox"/> A petition has been filed for this unsigned inventor							
Given Name (first and middle [if any])					Family Name or Surname				
Achilles A.					Demetriou				
Inventor's Signature						Date			
Residence City	Los Angeles	State	CA	Country	United States		Citizenship		
Post Office Address		Cedars-Sinai Medical Center							
Post Office Address		8700 Beverly Boulevard							
City	Los Angeles	State	CA	Zip	90048	Country	United States		
Name of Additional Joint Inventor, if any:		<input type="checkbox"/> A petition has been filed for this unsigned inventor							
Given Name (first and middle [if any])					Family Name or Surname				
Inventor's Signature						Date			
Residence City		State		Country			Citizenship		
Post Office Address									
Post Office Address									
City		State		Zip		Country			
Name of Additional Joint Inventor, if any:		<input type="checkbox"/> A petition has been filed for this unsigned inventor							
Given Name (first and middle [if any])					Family Name or Surname				
Inventor's Signature						Date			
Residence City		State		Country			Citizenship		
Post Office Address									



United States

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**Reference Number**  
**Ship Date** 08/28/2001  
**Delivered To**  
**Delivery Location** BONITA CA  
**Delivery Date/Time** 08/29/2001 09:11  
**Signed For By** 2442199  
**Service Type** Priority Letter

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**From:** <jeanne@bmhm.com>  
**To:** <jeanne@bmhm.com>  
**Date:** Tuesday, August 28, 2001 4:16PM  
**Subject:** FedEx shipment 790145162305

JEANNE BRUSH of BROWN, MARTIN, HALLER & MCCLAIN sent DR. ALBERT P. LI  
a Priority Overnight FedEx Envelope.

This shipment is scheduled to be sent on 28AUG01.

The tracking number(s) are: 790145162305

To track this shipment online click on the following link:  
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**From:** sysdeliv@esprim5.prod.fedex.com  
**To:** <jeanne@bmhm.com>  
**Date:** Wednesday, August 29, 2001 9:49AM  
**Subject:** FedEx shipment 790145162305

Our records indicate that the shipment sent from JEANNE BRUSH/BROWN, MARTIN, HALLER & MCC to DR. ALBERT P. LI has been delivered.

The package was delivered on 8/29/2001 at 9:11 AM and signed for or released by 2442199.

The ship date of the shipment was 8/28/2001.

The tracking number of this shipment was 790145162305.

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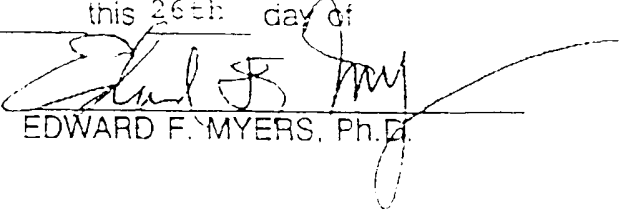
## ASSIGNMENT

### TO WHOM IT MAY CONCERN:

For the sum of One Dollar and other valuable consideration to me in hand paid, receipt of which is hereby acknowledged, be it known that I, Edward F. Myers, Ph.D., a citizen of the United States, having a place of residence at \_\_\_\_\_, California \_\_\_\_\_, have sold, assigned and transferred and by these presents do sell, assign, transfer and set over unto CEDARS-SINAI MEDICAL CENTER, a non-profit corporation, having its principal offices in Los Angeles, California, its successors, legal representatives, or assigns, my whole right, title and interest in and to a certain invention known as the ARTIFICIAL LIVER APPARATUS AND METHOD FOR EXTRACORPOREAL PURIFICATION OF BLOOD AND PLASMA by me devised jointly with Dr. Donald V. Cramer, Dr. Leonard Makowka and Dr. Achilles A. Demetriou, and the application for United States Patent therefor executed by us on even date herewith preparatory to filing the same in the United States Patent and Trademark Office, and all original and reissue patents granted thereof, and all divisions, and continuations thereof, including the subject-matter of any and all claims which may be obtained in every such patent, and all foreign rights to said invention, and covenant that we have full right to do so, and agree that we will communicate to said corporation or its representatives all facts known to us respecting said invention whenever requested, and testify in any legal proceedings, sign all lawful papers, make all rightful oaths and generally do everything possible to aid said corporation, its successors, assigns, and nominees, to obtain and enforce proper patent protection for said invention in all countries.

The Commissioner of Patents and Trademarks is requested to issue the Letters Patent which may be granted for said invention or any part thereof unto the said corporation in keeping with this Assignment.

Done at San Diego, CA, this 26th day of  
October, 1992.

  
EDWARD F. MYERS, Ph.D.

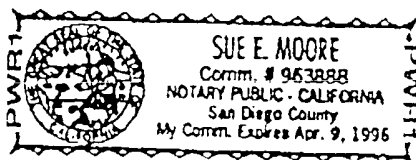
STATE OF CALIFORNIA )

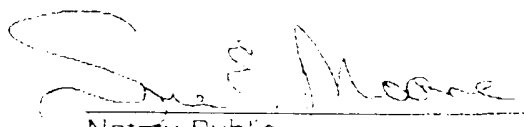
) ss.

COUNTY OF )

San Diego

On October 26, 1992, before me, the undersigned, a Notary Public in and for said State, personally appeared EDWARD F. MYERS, Ph.D., personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged that he executed same.



  
-Notary Public




## ASSIGNMENT

## TO WHOM IT MAY CONCERN:

For the sum of One Dollar and other valuable consideration to us in hand paid, receipt of which is hereby acknowledged, be it known that we, Xenogenex, Inc., a California corporation, having a principal place of business at 9625 Black Mountain Road, Suite 218, San Diego, California 92126, have sold, assigned and transferred and by these presents do sell, assign, transfer and set over unto Exten Industries, Inc., a Delaware corporation, having its principal offices in San Diego, California, its successors, legal representatives, or assigns, its whole right, title and interest in and to a certain invention known as the ARTIFICIAL LIVER APPARATUS AND METHOD FOR EXTRACORPOREAL PURIFICATION OF BLOOD AND PLASMA, and the application serial number 07-943,777 filed with the Patent and Trademark Office on September 11, 1991, for United States Patent therefor, and all original and reissue patents granted thereof, and all divisions, and continuations thereof, including subject-matter of any and all claims which may be obtained in every such patent, and all foreign rights to said invention, and covenant that it has full right to do so.

The Commissioner of Patents and Trademarks is requested to issue the Letters Patent which may be granted for said invention or any part thereof unto the said corporation in keeping with this Assignment.

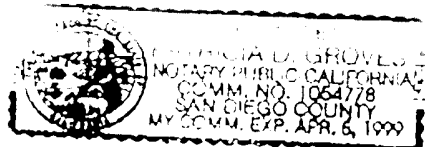
Done at San Diego, California this 10th day of July, 1996.

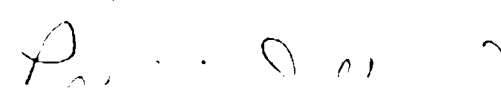
  
W. Gerald Newmin  
Chairman, Chief Executive Officer & President

STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO

On November 15, 1996, before me, the undersigned, a Notary Public in and for said State, personally appeared W. Gerald Newmin, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed this instrument.

WITNESS my hand and official seal.



  
(name typed or printed)

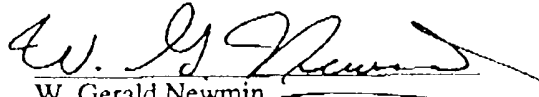
## ASSIGNMENT AND ASSUMPTION

### TO WHOM IT MAY CONCERN:

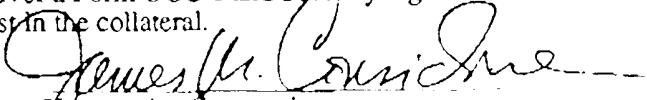
For the sum of One Hundred Thousand dollars (\$100,000) in cash, the assumption by assignee of a promissory note in the amount of \$162,500 plus accrued interest of \$6,045.04 held by W. Gerald Newmin dated November 30, 1996, 1,500,000 shares of Xenogenics Corporation Common Stock and other valuable consideration to us in hand paid, receipt of which is hereby acknowledged, be it known that we, Exten Industries, Inc., a Delaware Corporation, having a principal place of business at 9625 Black Mountain Road, Suite 218, San Diego, California 92126, have sold assigned and transferred and by these presents do sell, assign, transfer and set over unto Xenogenics Corporation, a Nevada corporation, have its principal offices in San Diego, California, its successors, legal representatives, or assigns, its whole right, title and interest in and to a certain invention known as the ARTIFICIAL LIVER APPARATUS AND METHOD FOR EXTRACORPOREAL PURIFICATION OF BLOOD AND PLASMA (SYBIOL<sup>®</sup>), and the application serial number 07/943,777 file with the Patent and Trademark Office on September 11, 1991, for United States Patent therefor, and all original and reissue patents granted thereof, and all divisions, and continuations thereof, including subject-matter of any and all claims which may be obtained in every such patent, and all foreign rights to said invention, and covenant that it has full right to do so.

The Commissioner of Patents and Trademarks is requested to issue the Letters Patent which may be granted for said invention or any part thereof unto the said corporation in keeping with this Assignment.

Done at San Diego, California this 12th day of June, 1997.

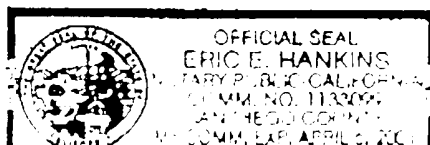
  
W. Gerald Newmin  
Chairman, Chief Executive Officer and President


Xenogenics Corporation hereby assumes the obligation of Exten under the Newmin Note and agrees to execute and deliver a Form UCC-1 and Security Agreement to the note page evidencing the security interest in the collateral.

  
Xenogenics Corporation  
James M. Considine, MD., MBA  
President

### STATE OF CALIFORNIA -COUNTY OF SAN DIEGO

On <sup>Sep.</sup> June 4, 1997, before me, the undersigned, a Notary Public in and for said State, personally appeared W. Gerald Newmin, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature on the instrument the same was intended to be given the same effect as a deed.



  
ERIC E. HANKINS  
(Name typed or printed)

## STATE OF CALIFORNIA -COUNTY OF SAN DIEGO

On ~~June~~ <sup>SEPT.</sup> 4, 1997, before me, the undersigned, a Notary Public in and for said State, personally appeared James M. Considine, MD., MBA, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity(ies), and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed this instrument.

WITNESS my hand and official seal,

*Eric E. Hankins*  
Notary Public

ERIC E. HANKINS

(Name typed or printed)



## CONSULTING AGREEMENT

THIS AGREEMENT is entered into and effective as of January 1, 1994, by and between Dr. Albert Li ("LI") and Xenogenex, Inc., a California corporation ("XENOGENEX").

### 1. RECITALS

This Agreement is entered into in contemplation of the following facts, circumstances and representations:

1. LI is presently employed by the St. Louis University Medical Center ("SLU") to manage the SLU liver research program.
2. SLU has agreed to provide laboratory and supporting facilities necessary to support the XENOGENEX artificial liver ("SYBIOL") development program for a period of up to two years in accordance with a separate agreement between these parties. Upon expiration or termination of said agreement, XENOGENEX may elect to move the program to another institution or its own facilities.
3. XENOGENEX intends to attempt to acquire an exclusive worldwide unrestricted license to utilize the patented synthetic liver technology represented by U.S. Patent #07/832,461 in the development of SYBIOL. The license for this technology, and any other third party technologies if acquired, shall be available to LI to assist him pursuant to this agreement.
4. XENOGENEX desires to employ LI as a consultant concurrently with his employment with SLU, and for an additional period of time, to conduct SYBIOL research and development for the benefit of XENOGENEX, and further to have LI serve as officer of XENOGENEX.
5. LI desires to undertake such consulting pursuant to the terms and conditions as more specifically set forth herein.



2.2 Term of Agreement: The term of this Agreement shall be for a period of five (5) years beginning January 1, 1994 and ending on December 31, 1998.

2.3 Duties of LI: LI shall be responsible for the overall administrative and scientific management and direction of the SYBIOL Program, including incorporation of technology represented by U.S. Patent #07/852,461, if a license for use is obtained, and other third party technologies as determined beneficial. These responsibilities specifically include achieving the timely development milestones and government regulatory approvals leading to successful commercial business for XENOGENEX in accordance with the Synthetic Bio-Liver Development Plan dated October 26, 1993 included as Exhibit A. Should a license for the aforementioned patent not be obtained in a timely manner, then a modified Development Plan shall be mutually agreed to.

2.4 Records and Reports: LI shall be responsible for the maintenance of accurate and complete records of the work accomplished under the synthetic bio-liver and related programs funded by XENOGENEX and under his direction. Such records shall include, but not limited to: notebooks of activities of individual research personnel, data tabulations, computer programs and files, internal memos and correspondence. Ownership of such records generated at SLU or any other institution shall be as determined under separate agreement between XENOGENEX and the institution.

A written summary report of the work performed, results and analyses, including copies of all technical papers and reports published, shall be forwarded to XENOGENEX management on a quarterly basis.

2.5 Compensation: For his services as Chief Scientific Officer, LI shall be paid the annual fee of \_\_\_\_\_ which shall be in addition to his compensation from SLU.



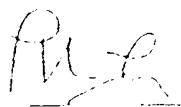
2.13 Specific Conditions of Employment: This Agreement is specifically conditioned upon the following:

5. I am signing an Invention and Non-Disclosure Agreement of the form presented in Appendix B covering his consulting activities for XENOGENEX outside of his employment by SLU.



Dated:

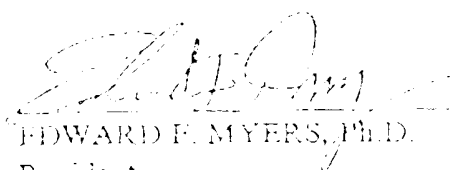
1/11/94

  
DR. ALBERT LI

XENOGENEX, INC.

Dated:

Dec 23, 1993

  
EDWARD F. MYERS, Ph.D.  
President

Rev. December 23, 1993

Page 6 of 6

## ASSIGNMENT

For good and valuable consideration, the receipt of which is hereby acknowledged, ASSIGNOR(S),

1. Edward F. Myers
2. Albert P. Li
3. Achilles Demetriou

Hereby sells, assigns, and transfers to ASSIGNEE, Exten Industries, Inc., 9625 Black Mountain Road, Suite 218, San Diego, CA 92126-4564, and the successors, assigns and legal representatives of the ASSIGNEE all of its right, title and interest for the United States and its territorial possessions and in all foreign countries in and to, any and all improvements in the invention entitled: ARTIFICIAL LIVER APPARATUS AND METHOD

and which is found in

- (a)    U.S. patent application executed on \_\_\_\_\_, entitled as above and listing the above named persons as inventors
- (b)   x   U.S. patent application serial no. 08,809,677, filed on March 27, 1997
- (c)    U.S. Patent No.: \_\_\_\_\_, issued \_\_\_\_\_

and any legal equivalent thereof in a foreign country, including the right to claim priority and, in and to, all Letters Patent to be obtained for said invention by the above application or in any continuation, division, continuation-in-part, extension or substitute thereof, and any reissue, reexamination or extension of said Letters Patent and all rights under all International Conventions for the Protection of Industrial Property;

ASSIGNOR(S) hereby covenants that no assignment, sale, agreement or encumbrance has been or will be made or entered into which would conflict with this assignment;

ASSIGNOR(S) further covenants that ASSIGNEE will, upon its request, be provided promptly with all pertinent facts and documents relating to said invention and said Letters Patent and legal equivalents as may be known and accessible to ASSIGNOR and will testify as to the same in any interference, litigation, or proceeding relating thereto and will promptly execute and deliver to ASSIGNEE or its legal representative any and all papers, instruments or affidavits required to apply for, obtain, maintain, issue or enforce said application, said invention and said Letters Patent and said equivalents thereof which may be necessary or desirable to carry out the purposes thereof. An attorney of record is authorized and requested by the execution of this assignment to insert into this assignment the filing date and serial number of said application when officially known.

AND the ASSIGNOR(S) requests the Commissioner of Patents and Trademarks to issue said Letters Patent of the United States and any renewal or extension thereof to the ASSIGNEE, Exten Industries, Inc.

42 x 60 x 110 cm; 1985

Signature of Inventor(s)

\_\_\_\_ day of \_\_\_\_\_, 199

Albert P. Li

# FISH & RICHARDSON P.C.

4225 Executive Square  
Suite 1400  
La Jolla, California  
92037

Telephone  
619 678 5050

Facsimile  
619 678 5000

Frederick P. Fish  
18y 1990

W. E. Richardson  
18y 1981

May 12, 1998

Albert Li, Ph.D.  
IN VITRO TECHNOLOGIES  
1450 S. Roling Road, 3rd Floor  
Baltimore, MD 21227

Re: National Phase Application in U.S.  
Serial No. 08/809,677 (Based on PCT/US94/10935)  
Entitled: **ARTIFICIAL LIVER APPARATUS AND METHOD**  
Filed: March 27, 1997  
Our Ref.: 07354/004001

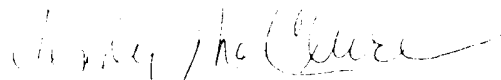
Dear Dr. Li:

The U.S. Patent Office has requested that an executed assignment be filed in the above-identified application. Enclosed please find an Assignment document which we prepared for your signature.

Please sign and date the enclosed Assignment and returned us as soon as possible. I have enclosed a self-addressed, stamped envelope for this purpose.

Please do not hesitate to call me if you have any questions.

Very truly yours,

  
Cindy McClure,  
Secretary to Stacy L. Taylor

ccmm

Dear Ms. McClure:

I have been asked to represent the other inventors. I therefore cannot sign the attached form. Sincerely,  
Albert P. Li, Ph.D.

*Pls respond w/ observation that we may get for himself*

## CONSULTING AGREEMENT

THIS AGREEMENT is entered into and effective as of January 1, 1994, by and between Dr. Albert Li ("LI") and Xenogenex, Inc., a California corporation ("XENOGENEX").

### 1. RECITALS

This Agreement is entered into in contemplation of the following facts, circumstances and representations:

1. LI is presently employed by the St. Louis University Medical Center ("SLU") to manage the SLU liver research program.
2. SLU has agreed to provide laboratory and supporting facilities necessary to support the XENOGENEX artificial liver ("SYBIOL") development program for a period of up to two years in accordance with a separate agreement between these parties. Upon expiration or termination of said agreement, XENOGENEX may elect to move the program to another institution or its own facilities.
3. XENOGENEX intends to attempt to acquire an exclusive worldwide unrestricted license to utilize the patented synthetic liver technology represented by U.S. Patent #07/832,461 in the development of SYBIOL. The license for this technology, and any other third party technologies if acquired, shall be available to LI to assist him pursuant to this agreement.
4. XENOGENEX desires to employ LI as a consultant concurrently with his employment with SLU, and for an additional period of time, to conduct SYBIOL research and development for the benefit of XENOGENEX, and further to have LI serve as officer of XENOGENEX.
5. LI desires to undertake such consulting pursuant to the terms and conditions as more specifically set forth herein.

### 2. TERMS AND CONDITIONS



2.2 Term of Agreement: The term of this Agreement shall be for a period of five (5) years beginning January 1, 1994 and ending on December 31, 1998.

2.3 Duties of LI: LI shall be responsible for the overall administrative and scientific management and direction of the SYBIOL Program, including incorporation of technology represented by U.S. Patent #07/832,461, if a license for use is obtained, and other third party technologies as determined beneficial. These responsibilities specifically include achieving the timely development milestones and government regulatory approvals leading to successful commercial business for XENOGENEX in accordance with the Synthetic Bio-Liver Development Plan dated October 26, 1993 included as Exhibit A. Should a license for the aforementioned patent not be obtained in a timely manner, then a modified Development Plan shall be mutually agreed to.

2.4 Records and Reports: LI shall be responsible for the maintenance of accurate and complete records of the work accomplished under the synthetic bio-liver and related programs funded by XENOGENEX and under his direction. Such records shall include, but not limited to: notebooks of activities of individual research personnel, data tabulations, computer programs and files, internal memos and correspondence. Ownership of such records generated at SLU or any other institution shall be as determined under separate agreement between XENOGENEX and the institution.

A written summary report of the work performed, results and analyses, including copies of all technical papers and reports published, shall be forwarded to XENOGENEX management on a quarterly basis.

2.5 Compensation: For his services as Chief Scientific Officer, LI shall be paid the annual fee of \_\_\_\_\_ which shall be in addition to his compensation from SLU.



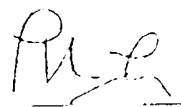
2.13 Specific Conditions of Employment: This Agreement is specifically conditioned upon the following:

3. I.I signing an Invention and Non-Disclosure Agreement of the form presented in Appendix B covering his consulting activities for XENOGENEX outside of his employment by S.I.U.



Dated: \_\_\_\_\_

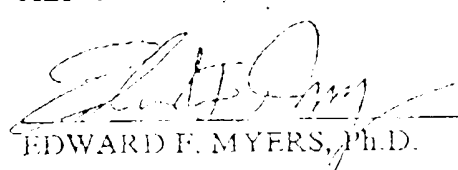
1/11/94

  
\_\_\_\_\_  
DR. ALBERT LI

XENOGENEX, INC.

Dated: \_\_\_\_\_

Dec 28, 1993

  
\_\_\_\_\_  
EDWARD F. MYERS, Ph.D.  
President

Rev. December 23, 1993

CALIFORNIA LABOR CODE §§ 2860 and 2863, from WEST'S ANNOTATED CALIFORNIA CODES, vol. 44, pp. 640, 645 (West Publ. Co.: 2000).

**§ 2860. Ownership of things acquired by virtue of employment**

Everything which an employee acquires by virtue of his employment, except the compensation which is due to him from his employer, belongs to the employer, whether acquired lawfully or unlawfully, or during or after the expiration of the term of his employment.

(Stats 1937, c. 90, p. 260, § 2860.)

**§ 2863. Preference to performance of employer's business**

An employee who has any business to transact on his own account, similar to that intrusted to him by his employer, shall always give the preference to the business of the employer.

(Stats 1937, c. 90, p. 260, § 2863.)

# ASSIGNMENT

For good and valuable consideration, the receipt of which is hereby acknowledged, ASSIGNOR(S),

1. Edward F. Myers
2. Albert P. Li
3. Achilles Demetriou

hereby sells, assigns, and transfers to ASSIGNEE, Exten Industries, Inc., 9625 Black Mountain Road, Suite 218, San Diego, CA 92126-4564, and the successors, assigns and legal representatives of the ASSIGNEE all of its right, title and interest for the United States and its territorial possessions and in all foreign countries in and to, any and all improvements in the invention entitled: ARTIFICIAL LIVER APPARATUS AND METHOD

and which is found in

- (a)        U.S. patent application executed on                                 , entitled as above and listing the above named persons as inventors
- (b)   x   U.S. patent application serial no. 08/809,677, filed on March 27, 1997
- (c)        U.S. Patent No.:                         , issued

and any legal equivalent thereof in a foreign country, including the right to claim priority and, in and to, all Letters Patent to be obtained for said invention by the above application or in any continuation, division, continuation-in-part, extension or substitute thereof, and any reissue, reexamination or extension of said Letters Patent and all rights under all International Conventions for the Protection of Industrial Property;

ASSIGNOR(S) hereby covenants that no assignment, sale, agreement or encumbrance has been or will be made or entered into which would conflict with this assignment;

ASSIGNOR(S) further covenants that ASSIGNEE will, upon its request, be provided promptly with all pertinent facts and documents relating to said invention and said Letters Patent and legal equivalents as may be known and accessible to ASSIGNOR and will testify as to the same in any interference, litigation, or proceeding relating thereto and will promptly execute and deliver to ASSIGNEE or its legal representative any and all papers, instruments or affidavits required to apply for, obtain, maintain, issue or enforce said application, said invention and said Letters Patent and said equivalents thereof which may be necessary or desirable to carry out the purposes thereof. An attorney of record is authorized and requested by the execution of this assignment to insert into this assignment the filing date and serial number of said application when officially known.

AND the ASSIGNOR(S) requests the Commissioner of Patents and Trademarks to issue said Letters Patent of the United States and any reissue or extension thereof to the ASSIGNEE, Exten Industries, Inc.

executed this

Signature of Inventor(s)

23rd day of March, 1997

Achilles Demetriou  
Achilles Demetriou



UNITED STATES DEPARTMENT OF COMMERCE  
Patent and Trademark Office

ASSISTANT SECRETARY AND COMMISSIONER OF PATENTS AND TRADEMARKS  
Washington, D.C. 20531

AUGUST 07, 1998

PTAS

FISH & RICHARDSON P.C.  
STACY L. TAYLOR  
4225 EXECUTIVE SQUARE, SUITE 1400  
LA JOLLA, CA 92037



\*100732220A\*

UNITED STATES PATENT AND TRADEMARK OFFICE  
NOTICE OF RECORDATION OF ASSIGNMENT DOCUMENT

THE ENCLOSED DOCUMENT HAS BEEN RECORDED BY THE ASSIGNMENT DIVISION OF THE U.S. PATENT AND TRADEMARK OFFICE. A COMPLETE MICROFILM COPY IS AVAILABLE AT THE ASSIGNMENT SEARCH ROOM ON THE REEL AND FRAME NUMBER REFERENCED BELOW.

PLEASE REVIEW ALL INFORMATION CONTAINED ON THIS NOTICE. THE INFORMATION CONTAINED ON THIS RECORDATION NOTICE REFLECTS THE DATA PRESENT IN THE PATENT AND TRADEMARK ASSIGNMENT SYSTEM. IF YOU SHOULD FIND ANY ERRORS OR HAVE QUESTIONS CONCERNING THIS NOTICE, YOU MAY CONTACT THE EMPLOYEE WHOSE NAME APPEARS ON THIS NOTICE AT 703-308-9723. PLEASE SEND REQUEST FOR CORRECTION TO: U.S. PATENT AND TRADEMARK OFFICE, ASSIGNMENT DIVISION, BOX ASSIGNMENTS, CG-4, 1213 JEFFERSON DAVIS HWY, SUITE 320, WASHINGTON, D.C. 20231.

RECORDATION DATE: 06/08/1998

REEL/FRAME: 9212/0255

NUMBER OF PAGES: 2

BRIEF: ASSIGNMENT OF ASSIGNOR'S INTEREST (SEE DOCUMENT FOR DETAILS).

ASSIGNOR:

DEMETRIOU, ACHILLE

DOC DATE: 05/22/1998

ASSIGNEE:

EXTEN INTELECT, INC.  
9015 BLAKE MOUNTAIN ROAD, SUITE  
312  
SAN DIEGO, CALIFORNIA 92126 4564

SERIAL NUMBER: 08809677

FILING DATE: 03/27/1997

PATENT NUMBER:

ISSUE DATE:

RECEIVED

AUG 14 1998



MAY 13 2001 11:54 AM CEN SINAI LEGAL (310) 867-0101

NO. 125 P. 2



## CEDARS-SINAI MEDICAL CENTER.

May 13, 2001

BY TELEFAX ONLY

Gregory F. Szabo  
President & Chief Executive Officer  
Xenogenics  
9620 Chesapeake Drive, Suite 201  
San Diego, California 92123

Re: Patent - Xenogenics/Xenogenex

Dear Mr. Szabo:

This letter responds to your letter dated May 9<sup>th</sup> regarding certain documents that your company would like Dr. Achilles Demetriou to review and execute related to the above-referenced matter. If we understand your concerns correctly, you are complaining about (i) a delay on our part to respond to your request to review and execute documents related to a new CIP; and (ii) the loss of "time, money and opportunity". In short, we did respond to your request by noting that Dr. Demetriou was not an inventor of the CIP and never worked with the other two named inventors. We have been waiting to hear back from your attorney, Jim McClain of the Brown Martin firm, regarding our observation that Dr. Demetriou was not an inventor of the CIP that you are attempting to file. Given the fact that the Medical Center has been incurring increasing costs to review and respond to your company's requests for assistance on this unrelated CIP and we are in the process of preparing an invoice for our expenses. This invoice will be sent to you under separate cover.

Given the serious nature of the concerns you raised, we investigated the matter immediately. After discussing this matter with Ed Poplawski, our outside patent attorney assisting us with your request, we have concluded that there may be some confusion regarding the Medical Center's position regarding your company's request. Your letter

DEPARTMENT OF LEGAL AFFAIRS

3333 La Tijera Blvd., TSB 304, Los Angeles, California 90008-1000

☎ (310) 423-5284 | ☎ (310) 423-0101 | ✉ LAUR@CSHS.ORG

MAY 13 2001

1:55PM

CEDARS SINAI LEGAL (310)967-0101

NO.125

P.3



## CEDARS-SINAI MEDICAL CENTER.

Gregory F. Szabo  
May 13, 2001  
Page 2

The Medical Center transferred the rights to a certain pending patent application (the "Original Application") and have, over the years, been cooperating with your company's efforts to pursue the patent process on the Original Application. Now, we understand that your company would like to file a CIP which takes advantage of the filing date of the Original Application. The CIP names the two original inventors (Demetriou and Meyers) and adds a new inventor unrelated to the Medical Center. Dr. Demetriou has not been collaborating with your company or the other two named inventors and, therefore, Dr. Demetriou should not be named on the CIP and is not obliged to participate in the review process of this new CIP.

We have been advised that your company can pursue the CIP application without the participation of Dr. Demetriou. You do not need his signature on documentation related to the CIP because he is not an inventor of any of the claims you are adding in the CIP. We are not delaying anything. While we have been assisting your company with the patent process related to the Original Application, we are not in a position to provide the time and expertise of our faculty members for a CIP which is based wholly on the work done by two inventors unrelated to the Medical Center. Perhaps these details were never brought to your attention, but we strongly deny that the Medical Center has done anything to cause your company to lose any "time, money and opportunity". In fact, the Medical Center is the one who has been incurring costs in both time and expense in re-visiting your company's requests for assistance for matters unrelated to the Original Application. As mentioned earlier in this letter, we will be sending you our invoice for the time and expenses incurred in addressing these unrelated matters.

The Medical Center's position has been explained to Mr. McClain. We have asked him to provide us with an explanation of why Dr. Demetriou's participation is required or how the company's rights to pursue the CIP would be negatively impacted without Dr. Demetriou. Again, we have not heard back from Mr. McClain with an answer to those questions. We have no reason to believe that there are factors which would alter our conclusion, however, we have asked Mr. Poplawski to follow-up with Mr. McClain to ensure that there is no misunderstanding about this matter.

Our technology transfer efforts have been hampered by the actions of Ms. Peterson. You ask, rhetorically, whether "she ever did anything in trying to address the situation. In short, yes she did. She brought each and every message to the attention of the attorney who was handling this matter and undoubtedly increased our outside costs in addressing this unrelated project. In your letter, you acknowledge that you were aware that Ms. Peterson was involved in the matter and that Ms. Peterson "has been a

NO. 125 P. 4

Gregory F. Szabo  
May 13, 2001  
Page 3

then why you felt it necessary to contact Ms. Pierson weekly? You might have wanted to contact Mr. McClain to follow-up on the status and you could have discovered that we were waiting to hear back from him. Again, we do not believe we were doing anything other than ensure that your weekly inquiries were forwarded to the person actually handling the project. We certainly did not want to leave you with the impression that the Ms. Pierson was not attending to your inquiries. Please be assured that every message that the Technology Transfer Office receives is given the attention that it deserves.

We trust that this is responsive to the concerns that raised in your recent letter. We are sorry if there was any confusion, but we believe that our position has been clear all along. The Medical Center, for obvious reasons, cannot provide your company with assistance with new patent matters that are unrelated to the work performed here and embodied in the Original Application. If there are any questions regarding the points raised in this letter, please have Mr. McClain contact Mr. Poplawski.

Sincerely yours,

CEDARS-SINAI MEDICAL CENTER

James D. Laur  
Deputy General Counsel

cc: Edward M. Prunchunas (via e-mail)  
Shlomo Melmed, M.D. (via e-mail)  
Daniel M. Oshiro (via e-mail)  
Patricia N. Pierson  
Peter E. Braveman, Esq. (via e-mail)  
Edward G. Poplawski, Esq. (via telefax)